

# City of Detroit


## CITY COUNCIL

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ANNE MARIE LANGAN  
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(313) 224-1078

TO: Larry Hightower, Director  
Detroit Workforce Development Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: May 4, 2010

RE: 2010-2011 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2010-2011 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, May 6, 2010 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Norman White, Chief Financial Officer  
Pamela Scales, Budget Department Director  
Donna McAlister, Budget Department Team Leader  
Kamau Marable, Mayor's Office

## **Detroit Workforce Development (21)**

### **FY 2010-2011 Budget Analysis by the Fiscal Analysis Division**

#### **Summary**

The Detroit Workforce Development Department is a General Grant Agency. The recommended 2010-2011 budgeted appropriations total \$62.5 million, which represents a \$2.4 million increase from the current fiscal year budget of \$60.1 million. The Department's recommended net tax cost to the City is \$1,700, which is the same as fiscal year 2009-2010.

#### **2009-2010 Surplus/(Deficit)**

There is no projected deficit or surplus for the 2009-2010 fiscal year.

#### **Overtime**

There is \$150,000 of budgeted salary overtime expenditures in the Mayor's 2010-2011 Proposed Budget, which is equal to the overtime budgeted in fiscal year 2009-2010. As of March 31, 2010, the Department has expended \$128,223 on overtime.

#### **Personnel and Turnover Savings**

There are no projected personnel or turnover savings for fiscal year 2010-2011 for the Detroit Workforce Development Department.

#### **Detroit Workforce Development Department (21)**

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2009-10 <u>Budget</u>	FY 2010-11 <u>Recommended</u>	Increase <u>(Decrease)</u>
Adult Client Services	4,670,999	994,880	(3,676,119)
Youth Services	<u>738</u>	<u>53,538</u>	<u>52,800</u>
<b>Total</b>	<b><u>\$ 4,671,737</u></b>	<b><u>\$ 1,048,418</u></b>	<b><u>\$ (3,623,319)</u></b>

#### **Proposed Layoffs and Position Changes**

The Mayor's 2010-2011 Proposed Budget does not include any layoffs. However 6 positions were eliminated in the proposed budget.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2009-10</u>	<u>Filled Positions 3/31/2010</u>	<u>Mayor's Budget Positions FY 2010-11</u>	<u>Over/(Under) Actual to 09/10 Budget</u>	<u>Mayor's Recommended Turnover</u>
<b>Detroit Workforce Development Department (21):</b>					
<b>218599 DWDD Reallocation Clearing FY 07</b>	<b>131</b>	<b>99</b>	<b>125</b>	<b>(32)</b>	<b>\$ -</b>
21XXXX Leave of Absence	0	0	0	0	\$ -
21XXXX Worker's Comp.	0	-6	0	(6)	\$ -
21XXXX Unmatched Positions	0	0	0	0	\$ -
<b>TOTAL</b>	<b><u>131</u></b>	<b><u>93</u></b>	<b><u>125</u></b>	<b><u>(38)</u></b>	<b><u>\$ -</u></b>

### Significant Changes in Funding by Appropriation

#### Capital Improvement

There are no capital improvements in the Mayor's 2010-2011 Proposed Budget.

<u>Appro.</u>	<u>Program</u>	
12796	WIA Dislocated Worker	The Mayor's 2010-2011 Proposed Budget is \$6.2 million for the WIA Dislocated Worker program, which is a decrease of \$4.0 million from fiscal year 2009-2010 budget of \$10.2 million.
12797	WIA Incumbent Worker	The Mayor's 2010-2011 Proposed Budget is \$.2 million for the WIA Incumbent Worker program, which is a decrease of \$.1 million from fiscal year 2009-2010 budget of \$.3 million.
13033	Trade	The Mayor's 2010-2011 Proposed Budget is \$3.6 million for the Trades program, which is an increase of \$2.3 million from fiscal year 2009-2010 budget of \$1.3 million.
13047	NWLB WIA Statewide Activities	The Mayor's 2010-2011 Proposed Budget is \$1.9 million for this program. This appropriation was not included in the 2009-10 budget.
13034	WIA Service Center Operations	The Mayor's 2010-2011 Proposed Budget is \$.5 million for this program. This appropriation was not included in the 2009-10 budget.
12732	Food Assistance	The Mayor's 2010-2011 Proposed Budget is \$.9 million for this assistance program. This appropriation was not included in the 2009-10 budget.

Following is information by appropriation comparing budgeted FY 2009-2010 revenues and 2010-2011 Mayor's recommended revenues.

### Significant Revenue Changes

<b>Appropriation</b>	<b>Fiscal Year 2010-2011 Proposed Budget</b>	<b>Fiscal Year 2009-2010 Budget</b>	<b>Difference - This Year Over/Under Last Year</b>
General Fund Account - Late Fees	\$ 1,700	\$ 1,700	\$ 0
DWDD Reallocation Clearing	1,000,000	1,000,000	0
WIA Service Center Operations	500,000	-	500,000
Food Assistance	900,000	-	900,000
JET	20,000,000	18,750,000	1,250,000
JET State	4,800,000	4,500,000	300,000
Food Stamp Only	-	950,000	(950,000)
Food Stamp Only SS	25,000	22,975	2,025
Promoting Responsible Fatherhood	500,000	500,000	0
Employment Service	1,800,000	1,700,000	100,000
NWLB WIA Statewide Activities	1,900,000	-	1,900,000
TRADE	3,600,000	1,300,000	2,300,000
One Stop Operations	-	500,000	(500,000)
WIA Statewide Capacity Building	24,000	25,000	(1,000)
WIA Adult	8,450,660	8,664,496	(213,836)
WIA Dislocated Worker	6,219,744	10,262,048	(4,042,304)
WIA Incumbent Worker	220,000	337,426	(117,426)
WIA Disability Program Navigator	62,500	65,000	(2,500)
WIA Administration	3,467,040	3,231,651	235,389
WIA Youth	9,000,000	8,256,311	743,689
WIA Youth Statewide	50,000	70,000	(20,000)
<b>Total</b>	<b>\$ 62,520,644</b>	<b>\$ 60,136,607</b>	<b>\$ 2,384,037</b>

### Issues and Questions

1. How will the decrease in six positions affect your programs? Why were these positions eliminated from your budget (layoff, retirement, etc.)?
2. Workforce Development has received stimulus money for summer youth programs. How much money did you receive and how much has been spent so far? Can you tell us how many jobs were created as a result of this additional funding?
3. When must the currently awarded Stimulus funding be expended? Does the agency see any problems in meeting that time frame?
4. How many cars will be turned in from your agency? Will any of the employees turning in cars receive a stipend? If so, how many?
5. What type of apprenticeship programs will you be creating in the future?
6. Why has the 2010-2011 recommended appropriation for WIA Dislocated Workers decreased by \$4.0 million from \$10.2 million to \$6.2 million?